

# Weekly Focus

## September is a key month for central bank policies

### Market movers ahead

- The main event in Sweden in the coming week is the Riksbank monetary policy meeting on Thursday. We expect the Riksbank to postpone the repo rate hiking path by one to two quarters, while keeping the QE programme unchanged. In Norway, we are due to get industrial production.
- In the US, ISM manufacturing for August is due for release on Thursday and the jobs report for August is due out on Friday.
- In the **euro area**, focus is set to be on the final Q2 GDP estimate (Friday), as we are set to get detailed information about the GDP components for the first time.
- In the **UK**, focus is on Brexit, with the House of Commons returning to session.
- In **China**, we are due to get the PMI data for August. Further, with the current tension between the US and China on the trade front, news about possible upcoming negotiations between the two sides could be an important driver for global risk sentiment. Even though the rhetoric from China has softened, there is still a risk that the US will go through with increasing its tariffs on Sunday as already announced.

### Weekly wrap-up

- Despite the recession fears in markets, best illustrated by the significant inversion of the US 2s10s yield curve, US consumers are quite upbeat and it is difficult to envisage a recession near term
- Prime Minister Boris Johnson has decided to *prorogue Parliament* from mid-September to 14 October, making it more difficult, but not impossible, for politicians to block a no-deal Brexit.
- In politics, the US-China trade war went from bad to worse and Italy's President Sergio Mattarella tasked Prime Minister Giuseppe Conte to form a new governing coalition between M5S and the centre-left PD.

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### Financial views

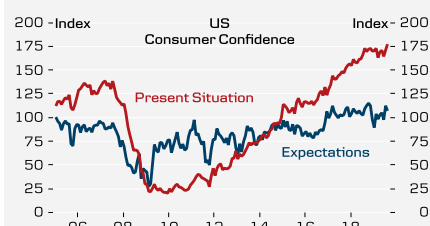
Major indices			
	30-Aug	3M	12M
10yr EUR swap	-0.27	-0.30	-0.10
EUR/USD	110	110	115
ICE Brent oil	61	75	75

Source: Danske Bank

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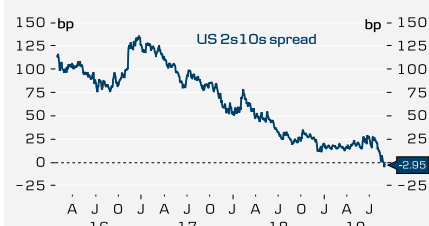
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#### US consumers are upbeat despite recession fears in markets



Source: Conference Board, Macrobond Financial

#### US yield curve inverted significantly this week



Source: Bloomberg, Macrobond Financial

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# Market movers

## Global

- In the **US**, there are several important data releases next week. ISM manufacturing for August is due for release on Tuesday and the jobs report for August is out on Friday. Weighted regional PMIs suggest that ISM manufacturing is set to come in stronger, but Markit PMI has shown weakness the past couple of months. We expect ISM manufacturing to remain unchanged at 50.8.

The labour market has also shown weakness for a while so we think it is important to keep an eye on employment growth, which is an important recession indicator. We expect employment growth to come in around 164,000. Further, we estimate average hourly earnings rose +0.30% m/m in August, unchanged at 3.1% y/y.

Next week, we will also focus on several Fed speeches (Tuesday and Wednesday). We will look out for signals on how much the Fed will ease in coming months in the wake of the growing recession risk, see *New Fed call: Five more from Fed*, 19 August.

- In the **euro area**, focus will be on the final Q2 GDP estimate, which is due out on Friday, as we will get detailed information about the GDP components for the first time. The flash estimates showed that the euro area economy is limping along with a growth rate of 0.2% q/q. We expect collateral damage from the tougher global trade environment and Brexit distortions to show up negatively in the export component. Furthermore, we look out for how the domestic demand-related components contributed to the Q2 growth, as signs have increasingly shown that domestic demand is starting to feel the pinch as well.

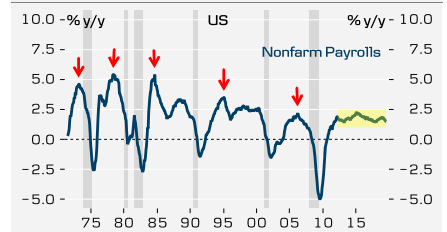
Also on Friday, July German industrial production figures are due. We look out for the release, since industrial production has been a key driver of the German slowdown and the print fell 5.2% y/y in June following seven consecutive months with falling production.

- In the **UK**, focus is definitely on Brexit with the House of Commons returning to session on Tuesday. This is not going to be less interesting after PM Boris Johnson's decision to prorogue Parliament from mid-September to 14 October, which makes it more complicated (although not impossible) for the politicians to block a no-deal Brexit. Watch out for any possible vote on no confidence in the Johnson government and/or an emergency debate trying to force PM Johnson to ask for an extension if he has not reached an agreement with the EU. Based on the recent developments, we have changed our Brexit call and now think the two most likely scenarios are (1) a no-confidence vote leading to an extension (and later a general election) and (2) a no-deal Brexit. For more details see *Brexit Monitor: More complicated, not impossible, to block no deal Brexit*, 29 August.

With respect to economic data releases, the PMIs for August are due out and we expect falls in both the service and manufacturing indicators.

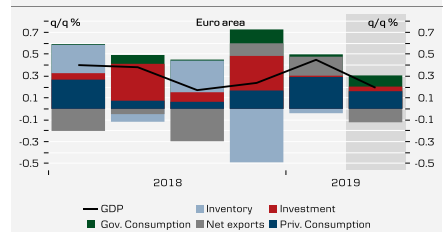
- Japan** has a quiet week ahead when it comes to key releases. On Friday, July total cash earnings tick in, though. They have looked remarkably gloomy this year with declining real earnings. Recent months have shown recovery along with solid domestic demand. As long as the domestic economy stays strong, we should continue to see an earnings recovery as well.

### Employment growth has decelerated



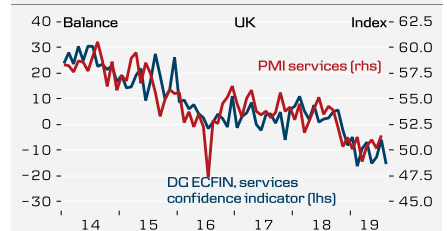
Source: BLS, Macrobond Financial

### Did domestic demand dampen Q2 growth?



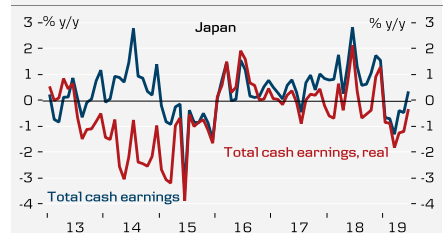
Spurce: Eurostat, Danske Bank, Macrobond Financial

### UK PMI services likely fell in August



Source: DG ECFIN, IHS Markit, Macrobond Financial

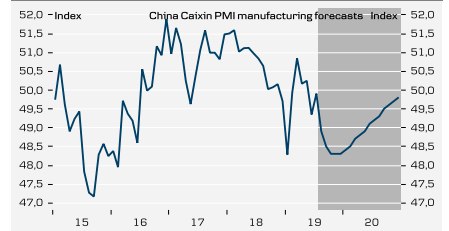
### Recovery in gloomy cash earnings



Source: Japanese Cabinet Office, Macrobond Financial

- In **China**, we get the PMI data for August. On the manufacturing side, we expect the trade war uncertainty and general weak global trade momentum to weigh on the Chinese manufacturing. As a result, we expect both the Caixin and China's official PMI manufacturing to see further setbacks with the Caixin falling to 48.9 from 49.9 in July. We expect the manufacturing PMIs to fall further in the coming months given the low prospects for a trade deal. With the current tensions between the US and China on the trade front, news about possible upcoming negotiations between the two sides could be an important driver for global risk sentiment.

**China: trade war uncertainty set to weigh on PMI manufacturing in coming months**

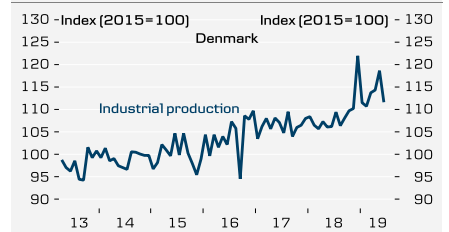


Source: Macrobond Financial, Danske Bank

**Scandi**

- **Denmark** has a rather quiet week ahead. On Thursday, Statistics Denmark is scheduled to release the number of bankruptcies and forced home sales for August, while figures for industrial production and sales in July are due on Friday. Industrial production fell by 6.8% in June, with the broad decline across sectors indicating that the slowdown in manufacturing abroad is perhaps finally coming to Denmark. July's figures should give us a better idea of whether the downturn in industry was a mere blip or if it is here to stay.
- The main event in **Sweden** is the Riksbank monetary policy meeting on Thursday 5 September. We expect the Riksbank to postpone the repo rate hiking path by one to two quarters, while keeping the QE programme unchanged. Actually, we believe Riksbank will have to bend even more later on. Our new call is that the Riksbank will cut the repo rate to -0.5 % in early 2020, probably at the February meeting and will remain there for a long time.

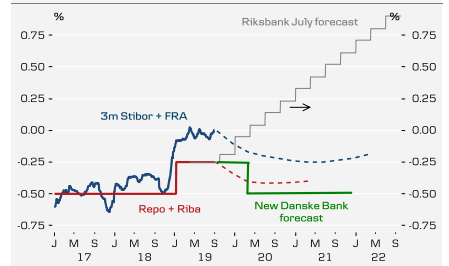
**Will the slowdown in industry continue?**



Source: Statistics Denmark, Macrobond Financial

The background is that (1) the international outlook is arguably weaker than the Riksbank has forecast, especially Germany, the Eurozone and China, which constitute 60% of KIX-weighted growth, (2) Q2 GDP printed 1.4 % y/y compared to Riksbank's 1.8% forecast, (3) the unemployment rate is rising much faster than expected (the seasonally adjusted 3m ma was 6.8% in July compared with Riksbank's 6.4%), (4) although CPI inflation has been marginally higher than Riksbank's forecast, it is falling well below 2% and (5) the same is true for Prospera inflation expectations. In addition, the Fed has cut rates and the ECB is signalling a significant stimulus package in the coming months. Global long-term bond yields dropped sharply this summer, in both the Eurozone and Sweden 10y is trading close to the expected ECB and Riksbank policy rates.

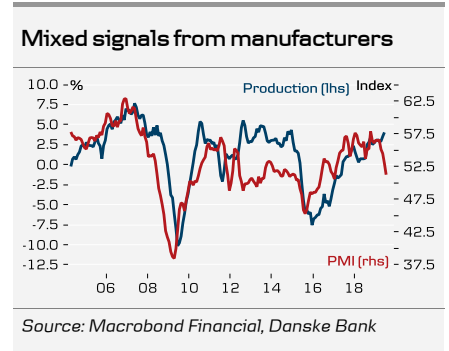
**Market pricing vs Riksbank and Danske Bank forecasts**



Sources: Macrobond, Riksbank, Danske Bank

There is also data in the form of PMI and industrial production. August manufacturing PMI is expected to drop to around 50 as German ditto has remained below 45 for six months now and as NIER manufacturing confidence has plunged below the 100 level. July industrial production and new orders are likely to drop back in line with German data. Services are expected to do slightly better both in terms of PMI and services production.

- In **Norway**, the summer has brought mixed signals from manufacturers. While the **PMI** has fallen sharply and in July signalled falling activity, actual **industrial production** has very clearly continued to trend upwards. We believe this discrepancy is due partly to oil-related industries being underrepresented in the PMI, with the result that the decline in the PMI is exaggerating the true picture. Seasonal adjustment of the PMI can also be very problematic in July, so we predict a relatively strong rebound to 51.8 in August. Actual industrial production will probably continue to climb moderately, with an increase of 0.2% m/m in July. We will also have an eye on the data for job **vacancies**, which could say something about whether the levelling off of unemployment is due to weaker growth or further bottlenecks in parts of the labour market.



Market movers ahead

Global movers		Event		Period	Danske	Consensus	Previous	
During the week		Sat 31	CNY	PMI manufacturing	Index	Aug	49.6	49.7
Mon	02-Sep	2:30	JPY	Nikkei Manufacturing PMI, final	Index	Aug		49.5
		3:45	CNY	Caixin PMI manufacturing	Index	Aug	<b>48.9</b>	49.9
		10:00	EUR	PMI manufacturing, final	Index	Aug		47.0
		10:30	GBP	PMI manufacturing	Index	Aug	<b>47.6</b>	48.0
Tue	03-Sep	16:00	USD	ISM manufacturing	Index	Aug		51.2
Wed	04-Sep	-	EUR	ECB President Christine Lagarde Speaks				
		12:00	EUR	ECB Chief Economist Phillip Lane Speaks				
Fri	06-Sep	1:30	JPY	Labour cash earnings	y/y	Jul	0.1%	0.4%
		8:00	DEM	Industrial production	m/m y/y	Jul	0.4% -4.1%	-1.5% -5.2%
		14:30	USD	Unemployment	%	Aug	3.7%	3.7%
		14:30	USD	Average hourly earnings, non-farm	m/m y/y	Aug	<b>0.3% 3.1%</b>	0.3% 3.0%
		14:30	USD	Non farm payrolls	1000	Aug	<b>164</b>	165
Scandi movers								
During the week								
Mon	02-Sep	8:30	SEK	PMI manufacturing	Index	Aug	<b>50.0</b>	52.0
Thurs	05-Sep	9:30	SEK	Riksbank, rate decision	%		<b>-0.3%</b>	-0.3%
Fri	06-Sep	8:00	NOK	Manufacturing production	m/m y/y	Jul		-1.0% 3.0%
		8:00	NOK	Industrial production	m/m y/y	Jul		-1.4% -8.6%

Source: Bloomberg, Danske Bank

# Weekly Wrap-Up

## Upbeat US consumers amid US yield curve inversion

### Main macro themes

- **Despite the fears of recession in the markets, best illustrated by the significant inversion of the US 2s10s yield curve, US consumers are quite upbeat** and it is difficult to see a recession near-term (admittedly, the yield curve is more forward looking, signalling that a recession may hit 1-2 years down the road). “Current situation” jumped to a new cycle high and while the expectations component dropped, it remains relatively high (at the same level as the averages in 2017 and 2018) and significantly higher than in early 2019. Consumer confidence is not the best leading indicator but a recession needs some element of negative animal spirits, which is not present, at least not yet. The consumer side of the US economy still looks solid, but manufacturing is struggling.
- **This week, PM Boris Johnson decided to *prorogue Parliament* from mid-September to 14 October, making it more difficult, but not impossible, for politicians to block a no deal Brexit.** On the back the recent development, we have changed our view and now think the two most likely scenarios are: 1) a no confidence vote leading to an extension (and later a general election) and 2) a no deal Brexit. For details please see *Brexit Monitor: More complicated, but impossible, to block no deal Brexit*, 29 August.
- **Friday, the US-China trade war went from bad to worse** with first China announcing countermeasures to Trumps 10% tariffs on USD300bn of Chinese goods and later Trump’s response to raise tariffs by an additional 5pp on all US imports from China. Besides this being bad from an economic point of view as it increases the risk of a more severe slowdown, it also reduces the probability of a trade deal further.
- **Italy’s President Mattarella tasked Prime Minister Conte to form a new governing coalition between the Five Star Movement and the centre-left Democratic party.** The deal reduces to risk of another budget clash with Brussels over the 2020 budget and rating downgrades. Italian yields cheered the avoidance of snap elections with the 10Y yield breaking below 1% for the first time ever. A final hurdle still needs to be cleared; that is getting support for the tie-up from Five Star members in an online vote.
- **Friday, Powell hinted that while he is still not ready to pre-commit to more easing, global uncertainty has risen and global growth slowed further since the July cut.**

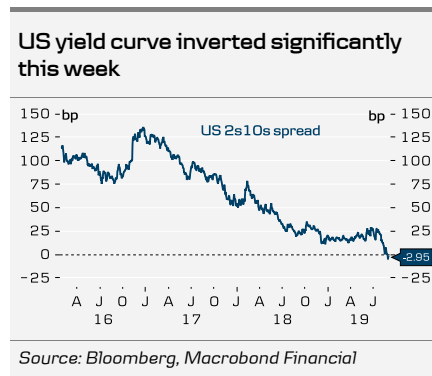
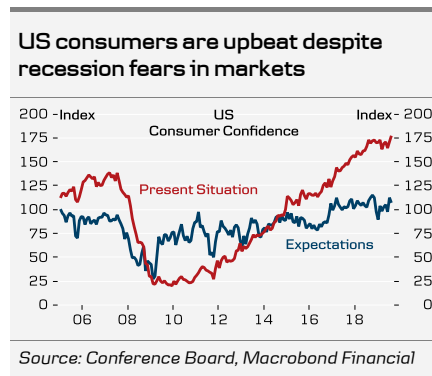
### Financial market developments

- **EUR/GBP moved towards 0.91 on the news that PM Johnson is proroguing Parliament, as investors became more concerned about a no deal Brexit.** The development means some probability has shifted towards a new election and a no deal scenario, halting the recent downward trend in EUR/GBP for now.
- **The USD market reached a couple of milestones this week.** The trade weighted USD (by Fed definition) reached a new record high (see *chart*), while the 2Y10Y yield curve inverted further.

**Financial views**

Major indices			
	30-Aug	3M	12M
10yr EUR swap	-0.27	-0.30	-0.10
10yr US swap	1.43	1.25	1.20
ECB key rate	-0.40	-0.60	-0.60
Fed funds rate	2.25	1.75	1.00
EUR/SEK	1081	1080	1100
EUR/NOK	1006	965	950
EUR/USD	110	110	115
ICE Brent oil	61	75	75

Source: Danske Bank



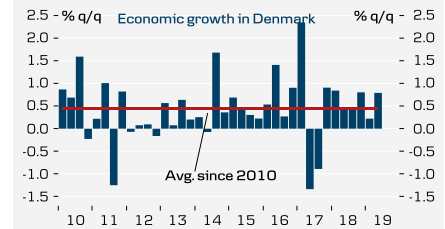
# Scandi update

## Denmark – Very strong demand in Q2

Statistics Denmark released July unemployment numbers last week – unemployment was unchanged at 3.8%. Hence, the slowdown in wage-earner employment in May-June does not appear to have had an impact on unemployment, which has been hovering around the same level for the past year. We also got the latest business confidence figures. The mood of the industrial sector improved a little in August at a time when it has otherwise been pretty lacklustre. Pharmaceuticals pulled the figures higher, which sits well with the pronounced upturn in activity that has been ongoing here for some time. On the other hand, sectors more sensitive to the economic cycle, such as the machinery industry, still continue to pull significantly lower, while the service and retail sectors remain rather upbeat.

We also received further details on GDP growth in Q2. Demand was even stronger than the 0.8% growth figure indicates, as both inventories and discrepancies pulled markedly lower. Foreign trade was the prime upward force, on the back of export growth and a small fall in imports – a trend mainly due to very strong industrial production.

### Underlying growth even stronger than GDP indicates



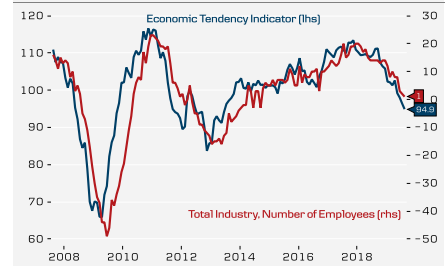
Source: Statistics Denmark, Macrobond Financial

## Sweden – lower yields against a bag of mixed data

July trade balance and retail sales were both a bit stronger than expected, but still suggesting a further slowdown in GDP growth at the start of Q3 to 1.3% y/y. NIER August did not provide any reason to be upbeat, as the overall tendency indicator dropped to the lowest level since June 2013. This is actually signalling that Sweden is approaching the same state as during the Euro crisis, i.e. close to a recession. Importantly, the barometer is signalling that hiring generally has come to a standstill and hence, backs up other indications such as the sharp deterioration seen in the June and July labour force surveys and in job vacancies. This has the potential to have negative spill-over effects on several parts of the economy such as consumption, housing and upcoming wage negotiations.

Money market pricing of Riksbank remained intact, expecting a 15bp rate cut up to February. 10y yields dropped back close to -40 bp, the ATL set earlier this month. The SEK continued to weaken, also close to records. The Swedish debt office said it will look into the possibility of issuing a 100y bond.

### Hiring follows confidence lower

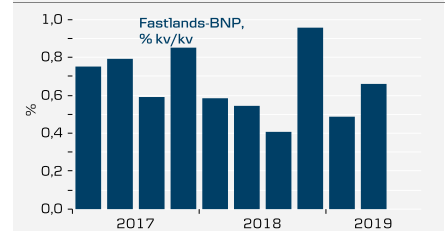


Source: NIER

## Norway – Growth still above trend

Mainland GDP climbed 0.7% q/q in Q2. Together with revisions to previous quarters, this meant growth was exactly as we predicted. The underlying data show strong increases in government demand and oil investment and private consumption was slightly stronger than retail sales had suggested. Housing investment also climbed relatively strongly again, confirming that the danger of a downturn driven by housing investment is ever receding. Mainland exports fell, which could be a sign that the global downturn is beginning to make its mark, but this did follow particularly strong figures in the two previous quarters. It is difficult to see any effects of the global slowdown in the Norwegian economy and if there are any, they are being cancelled out by the strong growth in government demand and oil investment. All in all, the report confirms that growth in the Norwegian economy is still above trend despite the global slowdown and in isolation this supports a rate increase at the September meeting.

### No signs of a slowdown



Source: Macrobond Financial, Danske Bank

## Latest research from Danske Bank

*29/8 Brexit Monitor: More complicated, not impossible, to block no-deal Brexit*

On the back of the recent development, we change our view and now think the two most likely scenarios are (1) a no-confidence vote leading to an extension (and later a general election) (40% probability) and (2) a no-deal Brexit (30% probability).

*26/8 Macro Strategy Views Podcast: Lower equities, higher volatility on trade war escalation*

In our Macro Strategy Views podcast, we discuss Friday's escalation in the US-China trade war and the implications for markets, with a particular focus on equities.

*25/8 Harr's view: Lower equities, higher volatility on trade war escalation*

Friday's events raise the risk of an all-out economic war between the US and China.

## Macroeconomic forecast

### Macro forecast. Scandinavia

	Year	GDP <sup>1</sup>	Private cons. <sup>1</sup>	Public cons. <sup>1</sup>	Fixed inv. <sup>1</sup>	Ex-ports <sup>1</sup>	Im-ports <sup>1</sup>	Infla-tion <sup>1</sup>	Wage growth <sup>1</sup>	Unem-ploym <sup>3</sup>	Public budget <sup>4</sup>	Public debt <sup>4</sup>	Current acc. <sup>4</sup>
Denmark	2018	1.5	2.2	0.9	6.5	0.4	3.3	0.8	2.3	3.9	0.5	34.1	5.7
	2019	1.7	1.5	0.4	-1.6	2.3	1.7	1.0	2.2	3.8	0.5	32.5	6.2
	2020	1.6	2.3	0.5	3.0	1.7	2.1	1.3	2.5	3.8	0.0	31.5	6.6
Sweden	2018	2.5	1.2	0.9	4.0	3.9	3.8	2.0	2.6	6.3	0.9	38.5	0.4
	2019	1.3	0.4	0.6	-0.9	4.4	2.0	1.7	2.6	6.6	0.1	34.0	4.0
	2020	1.5	1.8	1.5	0.6	3.3	2.6	1.5	2.7	7.1	0.5	33.0	4.1
Norway	2018	2.2	1.9	1.4	2.8	-0.2	1.9	2.7	2.8	2.4	-	-	-
	2019	2.6	2.0	1.7	4.8	3.0	3.3	2.5	3.3	2.3	-	-	-
	2020	2.3	2.4	1.7	3.0	3.5	2.7	1.7	3.8	2.2	-	-	-

### Macro forecast. Euroland

	Year	GDP <sup>1</sup>	Private cons. <sup>1</sup>	Public cons. <sup>1</sup>	Fixed inv. <sup>1</sup>	Ex-ports <sup>1</sup>	Im-ports <sup>1</sup>	Infla-tion <sup>1</sup>	Wage growth <sup>1</sup>	Unem-ploym <sup>3</sup>	Public budget <sup>4</sup>	Public debt <sup>4</sup>	Current acc. <sup>4</sup>
Euro area	2018	1.9	1.3	1.0	2.0	3.4	2.6	1.8	2.3	8.2	-0.5	85.1	3.6
	2019	1.1	1.3	1.5	2.1	2.4	2.8	1.3	2.2	7.7	-0.9	85.8	3.3
	2020	0.9	1.5	1.8	1.3	1.4	2.7	1.3	2.3	7.5	-0.9	84.3	3.2
Germany	2018	1.5	1.2	1.4	3.5	2.3	3.7	1.9	3.0	3.4	1.7	60.9	7.3
	2019	0.5	1.9	1.5	2.5	1.3	3.5	1.4	3.2	3.1	1.0	58.4	6.0
	2020	0.7	1.5	2.2	1.4	1.0	3.0	1.5	3.0	3.0	0.8	55.6	5.9
Finland	2018	1.7	2.0	1.4	3.1	1.1	4.1	1.1	1.8	7.4	-0.7	59.5	-1.6
	2019	1.3	0.8	0.5	0.0	3.0	2.0	1.2	2.5	6.5	-0.3	58.3	-1.7
	2020	1.0	1.2	1.5	1.0	2.0	2.5	1.5	2.5	6.4	-0.2	57.3	-1.4

### Macro forecast. Global

	Year	GDP <sup>1</sup>	Private cons. <sup>1</sup>	Public cons. <sup>1</sup>	Fixed inv. <sup>1</sup>	Ex-ports <sup>1</sup>	Im-ports <sup>1</sup>	Infla-tion <sup>1</sup>	Wage growth <sup>1</sup>	Unem-ploym <sup>3</sup>	Public budget <sup>4</sup>	Public debt <sup>4</sup>	Current acc. <sup>4</sup>
USA	2018	2.9	3.0	1.7	4.6	3.0	4.4	2.4	3.0	3.9	-3.9	106.0	-2.3
	2019	2.3	2.5	2.3	1.6	-0.5	2.0	2.0	3.1	3.6	-4.2	106.0	-2.6
	2020	1.7	2.4	0.9	1.1	0.7	2.2	2.3	3.4	3.4	-4.2	106.0	-2.7
China	2018	6.6	8.2	-	5.0	-	-	2.2	8.5	-	-4.1	50.1	0.7
	2019	6.2	7.5	-	5.0	-	-	2.5	8.0	-	-6.1	53.9	0.0
	2020	6.0	7.8	-	4.6	-	-	2.2	7.5	-	-5.5	57.1	-0.1
UK	2018	1.4	1.8	0.4	0.2	0.1	0.7	2.5	3.0	4.1	-1.5	86.8	-4.0
	2019	1.2	1.9	2.5	-0.6	0.7	4.2	1.9	3.5	3.8	-1.4	83.8	-3.8
	2020	1.3	1.6	1.3	-2.0	0.8	-2.4	1.4	3.5	3.6	-1.1	82.9	-3.5
Japan	2018	0.8	0.3	0.8	1.1	3.4	3.3	0.9	-	2.4	-	-	-
	2019	1.4	1.0	2.2	2.4	-1.7	-0.6	1.0	-	2.4	-	-	-
	2020	0.5	-0.3	1.7	0.6	1.7	1.2	1.6	-	2.5	-	-	-

Source: OECD and Danske Bank. 1) % y/y. 2) % contribution to GDP growth. 3) % of labour force. 4) % of GDP.



## Financial forecast

Bond and money markets										
		Key interest rate	3m interest rate	2-yr swap yield	10-yr swap yield	Currency vs EUR	Currency vs USD	Currency vs DKK	Currency vs NOK	Currency vs SEK
USD	30-Aug	2.25	2.12	1.54	1.43	110.3	-	675.8	911.7	979.9
	+3m	1.75	1.39	1.30	1.25	110.0	-	678.0	877.3	981.8
	+6m	1.25	1.05	0.90	1.00	113.0	-	659.7	849.6	964.6
	+12m	1.00	1.00	1.00	1.20	115.0	-	648.3	826.1	956.5
EUR	30-Aug	-0.40	-0.43	-0.56	-0.27	-	110.3	745.6	1005.9	1081.2
	+3m	-0.60	-0.51	-0.50	-0.30	-	110.0	745.8	965.0	1080.0
	+6m	-0.60	-0.51	-0.50	-0.30	-	113.0	745.5	960.0	1090.0
	+12m	-0.60	-0.51	-0.45	-0.10	-	115.0	745.5	950.0	1100.0
JPY	30-Aug	-0.10	-0.08	-0.13	-0.09	120.5	106.4	6.19	8.35	8.97
	+3m	-0.10	-	-	-	115.5	105.0	6.46	8.35	9.35
	+6m	-0.10	-	-	-	118.7	105.0	6.28	8.09	9.19
	+12m	-0.10	-	-	-	126.5	110.0	5.89	7.51	8.70
GBP	30-Aug	0.75	0.76	0.65	0.59	90.7	121.7	822.3	1109.4	1192.4
	+3m	0.75	0.84	0.70	0.60	90.0	122.2	828.6	1072.2	1200.0
	+6m	0.75	0.84	0.70	0.60	90.0	125.6	828.3	1066.7	1211.1
	+12m	0.75	0.84	0.80	0.70	90.0	127.8	828.3	1055.6	1222.2
CHF	30-Aug	-0.75	-0.85	-0.99	-0.59	109.1	98.9	683.6	922.3	991.3
	+3m	-0.75	-	-	-	110.0	100.0	678.0	877.3	981.8
	+6m	-0.75	-	-	-	112.0	99.1	665.6	857.1	973.2
	+12m	-0.75	-	-	-	114.0	99.1	653.9	833.3	964.9
DKK	30-Aug	-0.65	-0.46	-0.45	-0.18	745.6	675.8	-	134.9	145.0
	+3m	-0.75	-0.50	-0.40	-0.20	745.8	678.0	-	129.4	144.8
	+6m	-0.75	-0.50	-0.45	-0.25	745.5	659.7	-	128.8	146.2
	+12m	-0.75	-0.50	-0.40	-0.05	745.5	648.3	-	127.4	147.6
SEK	30-Aug	-0.25	0.00	-0.19	0.16	1081.2	979.9	69.0	93.0	100.0
	+3m	-0.25	-0.10	-0.15	0.25	1080.0	981.8	69.1	89.4	-
	+6m	-0.50	-0.35	-0.30	0.25	1090.0	964.6	68.4	88.1	-
	+12m	-0.50	-0.35	-0.30	0.20	1100.0	956.5	67.8	86.4	-
NOK	30-Aug	1.25	1.61	1.67	1.55	1005.9	911.7	74.1	100.0	107.5
	+3m	1.50	2.11	1.80	1.65	965.0	877.3	77.3	-	111.9
	+6m	1.50	2.16	1.90	1.65	960.0	849.6	77.7	-	113.5
	+12m	1.75	2.30	1.95	1.75	950.0	826.1	78.5	-	115.8

Commodities												
	30-Aug	2019				2020				Average		
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2019	2020	
ICE Brent	61	65	70	70	75	75	75	75	75	72	75	

Source: Dansk Bank

# Calendar

## Key Data and Events in Week 36

During the week				Period	Danske Bank	Consensus	Previous
Sat 31	CNY	PMI manufacturing	Index	Aug		49.6	49.7
Sat 31	CNY	PMI non-manufacturing	Index	Aug		53.7	53.7
Mon 02	GBP	House of Commons returns from recess					
Monday, September 2, 2019				Period	Danske Bank	Consensus	Previous
-	GBP	House of Commons returns from recess					
2:30	JPY	Nikkei Manufacturing PMI, final	Index	Aug			49.5
3:45	CNY	Caixin PMI manufacturing	Index	Aug	48.9	49.8	49.9
8:30	SEK	PMI manufacturing	Index	Aug	50.0		52.0
9:00	NOK	PMI manufacturing	Index	Aug		51.8	48.4
9:15	ESP	PMI manufacturing	Index	Aug		48.5	48.2
9:45	ITL	PMI manufacturing	Index	Aug		48.7	48.5
9:50	FRF	PMI manufacturing, final	Index	Aug		51.0	51.0
9:55	DEM	PMI manufacturing, final	Index	Aug		43.6	43.6
10:00	EUR	PMI manufacturing, final	Index	Aug			47.0
10:30	GBP	PMI manufacturing	Index	Aug	47.6	48.3	48.0
Tuesday, September 3, 2019				Period	Danske Bank	Consensus	Previous
6:30	AUD	Reserve Bank of Australia rate decision	%		1.0%	1.0%	1.0%
8:30	CHF	CPI	m/m y/y	Aug		-0.1% 0.3%	-0.5% 0.3%
9:30	SEK	Current account	SEK bn	2nd quarter			62.7
10:30	GBP	PMI construction	Index	Aug		45.5	45.3
11:00	EUR	PPI	m/m y/y	Jul			0.7% -0.6%
15:30	CAD	RBC manufacturing PMI	Index	Aug			50.2
15:45	USD	Markit PMI manufacturing, final	Index	Aug			49.9
16:00	USD	Construction spending	m/m	Jul		0.3%	-1.3%
16:00	USD	ISM manufacturing	Index	Aug		51.5	51.2
17:00	DKK	Currency reserves	DKK bn	Aug			448.1
23:00	USD	Fed's Rosengren (voter, hawk) speaks					
Wednesday, September 4, 2019				Period	Danske Bank	Consensus	Previous
-	EUR	ECB President Christine Lagarde Speaks					
-	USD	Total vehicle sales	m	Aug		16.9	16.82
2:30	JPY	Markit PMI services, final	Index	Aug			53.4
3:30	AUD	GDP	q/q y/y	2nd quarter		0.5% 1.8%	0.4% 1.8%
3:45	CNY	Caixin PMI service	Index	Aug		51.7	51.6
8:30	SEK	PMI services	Index	Aug			52.3
9:15	ESP	PMI services	Index	Aug		53.0	52.9
9:45	ITL	PMI services	Index	Aug		51.5	51.7
9:50	FRF	PMI services, final	Index	Aug		53.3	53.3
9:55	DEM	PMI services, final	Index	Aug		54.4	54.4
10:00	EUR	PMI composite, final	Index	Aug		51.8	51.8
10:00	EUR	PMI services, final	Index	Aug		53.4	53.4
10:30	GBP	PMI services	Index	Aug	50.4	51.0	51.4
11:00	EUR	Retail sales	m/m y/y	Jul		-0.4 ...	1.1% 2.6%
12:00	EUR	ECB Chief Economist Phillip Lane Speaks					
14:30	USD	Trade balance	USD bn	Jul		-55.2	-55.2
15:25	USD	Fed's Williams (voter, neutral) speaks					
16:00	CAD	Bank of Canada rate decision	%			1.75%	1.75%
18:30	USD	Fed's Bullard (voter, dovish) speaks					
19:00	USD	Fed's Kashkari (non-voter, dovish) speaks					
21:15	USD	Fed's Evans (voter, dovish) speaks					

Source: Danske Bank

## Calendar

Thursday, September 5, 2019					Period	Danske Bank	Consensus	Previous
7:45	CHF	GDP	q/q y/y	2nd quarter			0.2% 0.9%	0.6% 1.7%
8:00	DKK	Bankruptcies (s.a.)		Aug				
8:00	DKK	Enforced sales (s.a.)		Aug				
8:00	DEM	Factory orders	m/m y/y	Jul			-1.4% -4.2%	2.5% -3.6%
9:30	SEK	Industrial orders	m/m y/y	Jul				0.2% 7.5%
9:30	SEK	Riksbank, rate decision	%		<b>-0.3%</b>		-0.3%	-0.3%
14:15	USD	ADP employment	1000	Aug			143	156
14:30	USD	Unit labour cost, final	q/q	2nd quarter			2.5%	2.4%
14:30	USD	Initial jobless claims	1000					
15:45	USD	Markit PMI service, final	Index	Aug				50.9
16:00	USD	Core capital goods orders, final	%	Jul				0.4%
16:00	USD	ISM non-manufacturing	Index	Aug			53.6	53.7
17:00	USD	DOE U.S. crude oil inventories	K					
Friday, September 6, 2019					Period	Danske Bank	Consensus	Previous
-	EUR	Moody's may publish Italy's debt rating						
-	EUR	S&P may publish Cyprus's debt rating						
1:30	JPY	Labour cash earnings	y/y	Jul			0.1%	0.4%
6:00	SEK	Maklarstatistik Swedish housing price data						
7:00	JPY	Leading economic index, preliminary	Index	Jul			93.2	93.3
8:00	DKK	Industrial production	m/m	Jul				-6.8%
8:00	NOK	Manufacturing production	m/m y/y	Jul				-1.0% 3.0%
8:00	NOK	Industrial production	m/m y/y	Jul				-1.4% -8.6%
8:00	DEM	Industrial production	m/m y/y	Jul			0.4% -4.1%	-1.5% -5.2%
8:00	DEM	Labour costs	q/q y/y	2nd quarter				1.1% 2.5%
9:00	CHF	SNB balance sheet, intervention	CHF bn	Aug				767.9
9:30	SEK	Budget balance	SEK bn	Aug				28.2
11:00	EUR	GDP, final	q/q y/y	2nd quarter			0.2% 1.1%	0.2% 1.1%
11:00	EUR	Gross fixed investments	q/q	2nd quarter				0.1%
11:00	EUR	Government consumption	q/q	2nd quarter				0.1%
11:00	EUR	Private consumption	q/q	2nd quarter				0.5%
11:00	EUR	Employment, final	q/q y/y	2nd quarter				0.2% 1.1%
12:30	RUB	Central Bank of Russia rate decision	%				7.0%	7.3%
14:30	CAD	Net change in full time employment	1000	Aug				-11.6
14:30	USD	Unemployment	%	Aug			3.7%	3.7%
14:30	USD	Average hourly earnings, non-farm	m/m y/y	Aug	<b>0.3% 3.1%</b>		0.3% 3.0%	0.3% 3.2%
14:30	USD	Non farm payrolls	1000	Aug	<b>164</b>		165	164

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Source: Danske Bank

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